



**MICHIGAN  
POVERTY  
LAW  
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September 27, 2007

Ms. Mary P. Levine  
Acting General Counsel/Director of Legal Affairs  
MSHDA  
P.O Box 30044  
Lansing, MI 48909

Re: Draft 2008-09 LIHTC QAP

Dear Ms. Levine:

Thank you for the opportunity to comment, however cursorily, on MSHDA's draft 2008-09 LIHTC QAP. I write to you as the housing attorney at the Michigan Poverty Law Program (MPLP). MPLP is a cooperative venture between the Univ of Michigan Law School and Legal Services of Southeastern Michigan; it seeks to support and coordinate legal advocacy on behalf of Michigan's low income residents. This letter addresses just a few areas of the draft QAP.

**Income targeting**

We applaud the commitment to increasing housing opportunities for the population with the most severe housing challenges - extremely low income households, especially those making the transition from homelessness to permanent housing. While this change will likely present some development challenges, it effectuates the primary federal LIHTC preference, and increases the credibility of MSHDA's LIHTC program as a genuine low income housing program.

**Fair housing**

Deeper income targeting and the 50% holdback for Detroit, Hamtramck, and Highland Park, which will promote greatly needed community economic development in those areas, also carries the risk of perpetuating income and racial housing segregation. This risk exposes a major coverage gap of the proposed QAP - beyond the requirement of submission of an Affirmative Fair Housing Marketing Plan, the proposed QAP does not expressly consider fair housing, including MSHDA's duty to affirmatively further fair housing.

To promote fair housing and mobility of low income households, there are a number of steps that MSHDA should consider implementing, including:

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- creating incentives for development in low poverty areas with high economic and educational opportunities;
- promoting mixed income developments;
- promoting development of projects with units having 3 or more bedrooms;
- collecting, analyzing, reporting, and monitoring demographic data, including the racial/ethnic, income, and household characteristics of LIHTC tenants and applicants;
- more aggressive fair housing marketing for and access to (e.g. soliciting applications from Section 8 voucher holders and persons on various HUD rental housing waiting lists) developments in low poverty areas;
- requiring that a LIHTC application respond to an area's Analysis of Impediments to Fair Housing or other fair housing analysis document.

The QAP must better reconcile the demands of affordable housing development and the requirements of fair housing.

### **Preservation**

In a state which has lost so many federally assisted low income affordable rental housing units, the elimination of the preservation holdback is troubling. Considering the lower cost of preserving existing housing compared to constructing new units, and the disruption and trauma to families and communities that so often accompanies conversion of federally assisted housing, it seems hard to justify the elimination of the preservation holdback.

Again, please pardon the incompleteness of these remarks, but thank you for considering them

Sincerely yours,

MICHIGAN POVERTY LAW PROGRAM

A handwritten signature in dark ink, appearing to read "R 102" or similar, written in a cursive, stylized manner.

James E. Schaafsma